GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2533
ANSWERED ON:09.12.2005
MEDICLAIM INSURANCE
Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the general insurance companies providing mediclaim insurance do not provide reimbursement on the excuses and pretext that this or that disease was existing in the policy holder ;

(b) if so,whether the Government propose to set up an exclusive specialized health care insurance company to se`l healthcare products providing coverage for all risks to the policy holde :

(c) if so, the detail; thereof; and

(d) if not, the reasons -Jierefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMAJSICKAM)

(a) : The Insurance Regulatory and Development Authority(IRDA.) has reported that as a principle, insurance is provided to indemnify losses that are sudden and unforeseen ir. nature. It is against prudent underwriting practice to provide insurance protection for known or existing losses or for losses that are sure to occur. Accordingly, all standard Mediclaim Policies have standard exclusion of pre-existing conditions in terms of which the company shall not be liabl: to make any payment under this policy in respect of any expenses whatsoever incurred by an insurec. person in connection with or in respect of such diseases whicli have been in existence at the time of proposing the insurance.

(b)&(c) : No Sir.

(d) : IRDA has reported that there is already provision under the existing IRDA

(Registration of Indian Companies) Regulations in terms of which the Authority wiil give preference for grant of certificate of registration to those applicants who propose to cany out :he business of providing health covers to individuals or groups of individuals. However, in order to start insurance business, it is essential to have Rs. 100 crore capital and Health Insurance being high voiames and low margin business , except one application which has been received by IRDA recently, no insurer has come forward for doing Stand alone health insurance business. Even, a Stand alone Health Insurance Company may not be able to cover preexisting diseases.